

## Highlights of State and Jurisdiction Job Growth through 2013

Data released in November 2014 from the U.S. Bureau of Economic Analysis (BEA) details the 2013 jobs and personal income down to the jurisdiction level. As such, it represents the latest, most comprehensive data available for Maryland's 23 counties and Baltimore City.<sup>1</sup>

### Maryland continues to lag U.S. growth

Maryland's job growth slowed in 2013, both compared to previous growth trends and to the overall national gain. Maryland's job total expanded by 32,728 (1.0%) in 2013, well below the 46,385 (1.4%) gain in 2012 and the 50,831 (1.5%) increase in 2011. In contrast to Maryland, for the U.S. the 3,432,200 (1.9%) gain in 2013 was well above the increase for 2012 (2,559,300 or 1.5%) and slightly better than 2011 (3,242,000 or 1.9%). (See [Tables 1A](#) and [1B](#).)

Maryland's 1.0 percent growth rate in 2013 was ranked 41<sup>st</sup> in the U.S., much worse than its ranking in 2012 (18<sup>th</sup>) or 2011 (23<sup>rd</sup>) and was its worst ranking since 1992 (when it was ranked 49<sup>th</sup>).

With gains over the last three years, total jobs in Maryland in 2013 (3,474,596) are above where they were in 2007 (3,445,459) before the Great Recession began.<sup>2</sup> U.S. totals for 2013 (182.3 million), are also above where they were in 2007 (179.9 million). (For a more information on job growth for the U.S. and states see, [Annual Jobs by Place of Work for States and Regions of the U.S. Through 2013](#))

### Anne Arundel leads state in job growth in 2013

While there was a slowdown in Maryland's job growth in 2013, several jurisdictions actually experienced increased gains. Chief among these was Anne Arundel County, which gained 12,751 jobs in 2013 – just over 2,600 more than in 2012 – and led the state in job gains for the second consecutive year. The 2013 numeric gain, which made up nearly four-out-of ten (39.0%) of the net gain for the entire state, was also the largest for the county in the 44 years of the data series going back to 1969. (See [Table 1A](#) and [Table 1B](#) for data over the last five years and see [Total Jobs by Place of Work, 1969-2013](#) for data since the beginning of the series.)

Growth in Anne Arundel was led by gains in professional & technical services (2,451, second largest in the data series back to 2001) and amusement & recreation (1,697,

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<sup>1</sup> Annual 2014 wage and salary data for jurisdictions from the U.S. Bureau of Labor Statistics should be available by the fall of 2015 from the ES-202 (QCEW) program.

<sup>2</sup> What is being termed the "Great Recession" has an official date of December 2007 thru June 2009. At 18 months, this recession was two months longer than the two, 16-month recessions in the early 1980s, and was the longest recession since the one covering the August 1929 to March 1933 period (43 months). See <http://www.nber.org/cycles/cyclesmain.html>

largest in the data series which was boosted by expansion of casino gambling).<sup>3</sup> (see [Jobs by Place of Work, Detailed Tables](#) for change by industrial sector from 2001 to 2013.)

It should be noted, however, that a good portion of the 2013 increase in Anne Arundel's job growth was due to a "non-economic code change." That is, a reported 3,061 gain in state government employment was mostly due to a correction in the location of state prison employment to Anne Arundel County from past years when it had been reported (erroneously) in other counties. By assigning that employment to Anne Arundel County in 2013, it shows up as a job gain for that year (and a decline to other jurisdictions where the data was previously reported).

Rounding out the top five numeric gains in 2013 were Montgomery (4,249, or 0.6%), Howard (2,944, or 1.5%), Frederick (2,587, or 2.0%), and Prince George's (1,794, or 0.4%) counties. Of these four counties, only Frederick's 2013 gain exceeded the previous year's increase, and was the largest gain for the county since 2007. The 2013 growth in Frederick was broad based, including significant increases in the accommodation & food services, retail trade and arts, entertainment & recreation sectors.

At the bottom of the change in jobs in 2013 were Baltimore County (-497, or -0.1%), Allegany (-72, or -0.2%), Kent (-56, or -0.4%), Wicomico (+21, or 0.0%) and Somerset (+85, or 0.8%). All but Baltimore County are rural jurisdictions located in Western Maryland or on the Eastern Shore, which typically have had little to no job growth since the beginning of the Great Recession. For example, the loss for Allegany County in 2013 was the seventh straight year of declines and the gain of just 85 jobs for Somerset was the largest for the county since 2006, when it gained 220 jobs (or 2.0%).

For Baltimore County, the loss of nearly 500 jobs in 2013 is in contrast to the gain of around 4,000 in 2012 and is due in part to continued losses in the manufacturing sector (now 11 out of the last 12 years) as well as drops in wholesale and retail trade, professional & technical services and health care and social assistance. The decline in professional & technical services is unusual for the county, only happening before during the Great Recession, and the loss in health care was the first in the county in the data series.

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<sup>3</sup> While total jobs data is available back to 1969, consistent private sector data in the NAICs classification system is only available back to 2001 at the county level. Government sectors did not change with the introduction of NAICs in 2001 and so can be compared back to 1969, the beginning of the older SIC system-based data set. For the SIC data for the 1969 to 2001 period, see [Jobs by Place of Work, Detailed Tables](#).

## **Most jurisdictions have not fully recovered from the Great Recession**

Although Maryland has exceeded its pre-recession peak job totals, this is not the case for the majority of its jurisdictions. By 2013, only eight of the state's 24 jurisdictions – Anne Arundel, Harford and Howard counties in the Baltimore Region, Frederick and Montgomery counties in the Washington Suburban Region, St. Mary's in the Southern Maryland Region, Washington County in the Western Maryland Region and Cecil County in the Upper Eastern Shore Region have exceeded their pre-recession peaks. The most pervasive “gap” between the pre-recession peaks and 2013 totals exist in the more rural jurisdictions, including eight out of the nine jurisdictions on the Eastern shore and two of three in Western Maryland. Among these jurisdictions, the largest percentage gaps are in Kent County (-9.1 percent from its 2007 peak), Dorchester County (-7.4 percent from its 2005 peak) and Somerset County (-6.5 percent from its 2007 peak).<sup>4</sup>

## **Wage & Salary and Proprietor Jobs**

The U.S. BEA total jobs numbers are comprised of a wage & salary (i.e., payroll) component and a proprietor (or self employed) component. Over time, the proprietor component has become an increasingly larger share of total jobs. For instance, in 1969 just over one out of 10 jobs (10.2%) in Maryland were proprietor jobs. By 2013, the proportion of proprietor jobs in the state had more than doubled, accounting for more than one out of five jobs (22.0%).<sup>5</sup>

In past years, there have been marked increases in the proprietor share during periods of recessions and/or periods of weak recovery. This has also been true over the 2008 to 2013 period due to a decline in wage & salary jobs (-13,750, or -0.5%) and a gain in proprietor jobs (51,149, or 7.2%). This loss in wage & salary jobs was due in large part to the losses in 2009 – the worst year of the Great Recession. But over the last three years of recovery (2010 to 2013), wage and salary job growth (84,271, or 3.2%) has been greater than proprietor gains (45,673, or 6.3%), at least numerically, if not percentage wise. (See [Table 1C](#) and [Table 1D](#) for wage and salary data [Table 1E](#) and [Table 1F](#) for proprietor data.)

While there were eight jurisdictions which exceeded their pre-recession peaks for total jobs by 2013, there were only six which have exceeded their pre-recession wage & salary peaks: Anne Arundel, Harford, Howard, St. Mary's, Washington and Cecil counties. Of those still below their wage & salary peaks, the largest numeric differences

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<sup>4</sup> Of course, Baltimore City has the largest percentage (and numeric) difference between “peak” job totals and 2013. However, the City's “peak” was in 1969, the first year of the data series, and has been declining in most years since. The job decline between 1969 and 2013 was nearly 144,800, or 36.8 percent. But the City's low point for jobs was in 2010 (381,313) and has been growing since then. Between 2010 and 2013, the City has gained just over 14,600 jobs (3.8%).

<sup>5</sup> While the proprietor share has grown substantially over the long term, it has been accelerating in the last decade or so. For example, in 1969, the proprietor share of total jobs was 10.2 percent; in 1979 it increased to only 10.5 percent; in 1989 to 14.0 percent and in 1999 it was 15.5 percent.

are two jurisdictions which peaked in 2007, Baltimore County (-19,178, or -4.7% below its peak) and Prince George's County (-17,529, or -5.1% below its peak). The greatest wage & salary percentage deficits from peak years are in Cecil County (-13.0 percent from its peak in 2007) and Dorchester County (-14.0 percent from its 1990 peak).<sup>6</sup>

### **Anne Arundel also leads in wage & salary growth**

As with total jobs, the largest gain in wage & salary jobs within the last year was in Anne Arundel County (11,413, or 3.8 %). And, just as with total jobs, this wage & salary gain was the largest in the 44-year history of the data series for the county, and also made up a huge proportion (60.0%) of the total statewide net gain in wage & salary jobs. A significant portion of the county's wage & salary gain was the nearly 3,100 reported increase in state government jobs, not an actual increase, but a non-economic code change.<sup>7</sup>

Three of the remaining four top county wage & salary gains also had the largest total job gains (although not in the same rank order) – Howard (2,405, or 1.4%), Frederick (2,077, or 2.1%), Montgomery (1,464, or 0.3%) and Harford (1,248, or 1.3%). Harford was ranked sixth in total jobs compared to fifth in wage & salary gain. Prince George's was ranked fifth in total jobs, but actually had a small loss of wage & salary jobs (-158), ranking it 21<sup>st</sup>.

In all, there were four other jurisdictions with wage & salary losses in 2013, all fewer than 200 except for Baltimore County which had a drop of just over 2,900 jobs (-0.8%).

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<sup>6</sup> As with total jobs, Baltimore City would have both the largest numeric and percentage “deficit” from the peak total for wage & salary jobs (-155,019, or -30.7%) when measured from 1969, the beginning of the data series. The City's wage & salary totals bottomed out in 2010 (341,072), and since that time have grown by 9,275, or 2.7 percent.

<sup>7</sup> Although NAICs level wage & salary and proprietor detail is not available at the county level (only for states), all of government employment is classified as wage & salary and therefore can be tracked by looking at the total jobs data for the government sector.